



HOUSE BILL 1114: Elk Park/Deed Transferring Property

2013-2014 General Assembly

Committee: House Finance
Introduced by: Rep. Dobson
Analysis of: First Edition

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SUMMARY: *House Bill 1114 would prohibit the Avery County Register of Deeds from recording deeds transferring property in the Town of Elk Park unless the deed has a certificate from the Town's tax collector stating that no taxes are delinquent.*

CURRENT LAW: The Avery County Register of Deeds is prohibited from recording any deed unless it is accompanied by a certificate from the Avery County Tax Collector indicating that all County taxes and municipal taxes collected by the County have been paid.¹ For property in Newland², Banner Elk³, and Sugar Mountain⁴, the Avery County Register of Deeds is also prohibited from recording any deed unless it is accompanied by a certificate from the municipalities' tax collector.

BILL ANALYSIS: House Bill 1114 would add the Town of Elk Park to the list of municipalities in Avery County that require deeds be accompanied by a certificate indicating all delinquent Town taxes have been paid.

EFFECTIVE DATE: This act would be effective when it becomes law.

BACKGROUND: G.S. 161-31(a) provides that the board of commissioners of a county may, by resolution, require the register of deeds not to accept any deed transferring real property unless the county tax collector has certified that there are no delinquent ad valorem county taxes, ad valorem municipal taxes, or other taxes. In the resolution, the county commissioners may describe the form the certification must take.⁵

G.S. 161-31(a1) requires that the register of deeds must accept, without certification, a deed that contains the following statement: "This instrument prepared by: _____, a licensed North Carolina attorney. Delinquent taxes, if any, to be paid by the closing attorney to the county tax collector upon disbursement of closing proceeds."

Municipal property taxes are covered by G.S. 161-31 only if the county collects the tax for the municipality. If a city collects its own taxes, G.S. 161-31 will not prevent a deed from being recorded due to delinquent taxes owed to that city. Currently only Duplin County⁶ is subject to a local bill that extends G.S. 161-31's requirements to cover all municipal property taxes regardless of who collects those taxes.

¹ Chapter 305 of the 1963 Session Laws.

² S.L. 1997-410.

³ S.L. 1998-73.

⁴ S.L. 2010-51.

⁵ G.S. 161-31 applies to the following 75 counties: Alamance, Alexander, Anson, Beaufort, Bertie, Brunswick, Buncombe, Burke, Cabarrus, Camden, Carteret, Caswell, Catawba, Cherokee, Chowan, Clay, Cleveland, Currituck, Dare, Davidson, Davie, Duplin, Durham, Edgecombe, Forsyth, Gaston, Gates, Graham, Granville, Greene, Halifax, Harnett, Haywood, Henderson, Hertford, Hyde, Iredell, Jackson, Johnston, Jones, Lee, Lenoir, Lincoln, Macon, Madison, Martin, McDowell, Montgomery, Nash, Northampton, Onslow, Pasquotank, Pender, Perquimans, Person, Pitt, Polk, Robeson, Rockingham, Rowan, Rutherford, Sampson, Stanly, Stokes, Surry, Swain, Transylvania, Tyrrell, Vance, Warren, Washington, Wayne, Wilson, Yadkin, and Yancey.

⁶ S.L. 2010-24.



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Kelly Quick with the Research Division substantially contributed to this summary.